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TALKING POINTS

H. Con. Res. 95 -
FY 2006 Budget Resolution Conference Report

Taxes

▸ Accommodates total tax cuts of $106 billion over five years, the same level as in the House-passed budget.

▸ Provides a fast track reconciliation procedure to cut taxes by $70 billion.

▸ Tax relief total is sufficient to extend provisions of the 2001 and 2003 tax relief packages.

Discretionary appropriations

▸ Fully supports national defense needs with an increase of 4.8%, to $419.5 billion.

▸ Homeland security increases by 2.3%.

▸ Cuts total appropriations other than defense and homeland security by almost one percent.

▸ Includes funding for anticipated FY 06 defense supplemental.

Mandatory savings

▸ For the first time in eight years, directs eight committees in the House and Senate to find savings in mandatory programs.

▸ Achieves $35 billion in mandatory savings, twice the amount in the Senate-passed resolution.

▸ Provides strong incentive for Medicaid reform, allowing for the policy and savings proposals of the Nation's governors. This 40-year-old program has never been reformed, though its spending has more than doubled in the past 10 years.

▸ Strengthens private pension plans and begins to eliminate the unfunded liability in the nation's pension system.

(Over)

Initiatives

▸ Provides for a major reform of welfare.

▸ Finances historic legislation to achieve energy independence.

Declining deficits

▸ Keeps us on the path to reducing the deficit by half by 2009.

Key issues

▸ No assumption on ANWR.

▸ Shores up solvency of retirement system.

▸ No VA cuts.

▸ Accommodates transportation reauthorization as passed by the House.

▸ No assumptions on Social Security (which by law, is off budget).

▸ Increases above the President's request for Community Development Block Grants and Veterans health.